

NACDS: Protect the Goals of the 340B Drug Discount Program

Background: The purpose of the 340B program is to allow healthcare providers in underserved communities the ability “to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.” This federal program requires pharmaceutical manufacturers that wish to have their medications covered under Medicaid and Medicare Part B to offer 340B providers their medications at or below an applicable federal ceiling price. Since the inception of the 340B program in 1992, covered entities have successfully partnered with pharmacies to help dispense medications to these vulnerable patient populations. The utility of this partnership was recognized again in 2010, when HRSA allowed covered entities to partner with as many pharmacies as needed to dispense 340B medications. This partnership has continued to work well to serve both rural and underserved areas.

Issue: Over the last several years there has been an alarming and increasing trend by both drug manufacturers and pharmaceutical benefit managers to undermine the 340B program, and in doing so, negatively affect 340B covered entities, their pharmacy partners, and the vulnerable patient population the program serves.

- Today, nearly 30 major drug companies stopped complying with the law by either imposing restrictions or simply denying 340B savings on drugs dispensed at contract pharmacies.
- Additionally, PBM’s continue to impose discriminatory payment policies that lower payments or impose different reimbursement rules for 340B covered entities and their pharmacy partners than they do for non-340B providers.
- These serious actions undermine the fundamentals and the intent of the 340B program and limit patients’ access to affordable life-saving medications, patient counseling services, medication therapy management, vaccinations, and value-based care.

NACDS Position: NACDS remains committed to working with Congress to protect and preserve the 340B program, including the role that 340B contract pharmacies play in ensuring expanded patient access to care for the most vulnerable patient populations.

- Contract pharmacies have been committed to supporting and optimizing the 340B Program since the program’s creation and NACDS remains committed to delivering pharmacy-led health and wellness services to both rural and medically underserved communities in a timely manner.

Additional Resources: NACDS has encouraged the U.S. Department of Health and Human Services and leaders in Congress to address drug manufacturers’ unlawful refusal to provide critical drug discounts to 340B providers.